

# **USAID GEO**

## **Guyana Economic Opportunities**

### **Export Expansion Action Plan for The New Guyana Marketing Corporation**

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## TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	1
Chart 1: Export Methodology.....	2
ACTION PLAN METHODOLOGY.....	3
Approach.....	3
Procedure.....	3
1) Evaluate and Select Market.....	3
2) Select Product.....	4
3) Secure Supply Line.....	5
4) Eliminate or Mitigate Constraints.....	6
5) Monitor and Maintain Export Action Plan.....	8
RECOMMENDATIONS.....	9
ANNEXES	
<b>A.</b> Terms of Reference NGMC Export Action Plan.....	10
<b>B.</b> Documents and Reports Reviewed.....	11
<b>C.</b> Meetings and Interviews.....	12
<b>D.</b> NGMC Responsibilities and Timeline.....	14

## EXECUTIVE SUMMARY

The Terms of Reference (See Annex A) for this project was to assist NGMC to develop an action plan for expanding exports to Trinidad and Barbados. The Consultant worked directly with NGMC, exporters and other agencies to identify and prioritize activities that should be undertaken this year to reduce constraints and facilitate increased exports of the identified products in these two markets.

The Consultant proposed a cyclical methodology that would facilitate expansion of current exports or allow new product introductions in the selected markets (See Chart 1) This is a simple, concrete procedure that can be followed, regardless of the export product chosen or the market targeted. In addition, by using a road map, it is easier to facilitate a time-bound, disciplined approach that encourages flexibility, accommodates changing markets and strategies, and allows monitoring of results and impact.

As a result of interviews with the appropriate stakeholders and review of the available documents and studies, the following products were selected: (See Table 1)

- Fresh Produce: Plantains, pineapples, mangoes
- Beef
- Processed: Honey, Pepper mash (semi-processed)

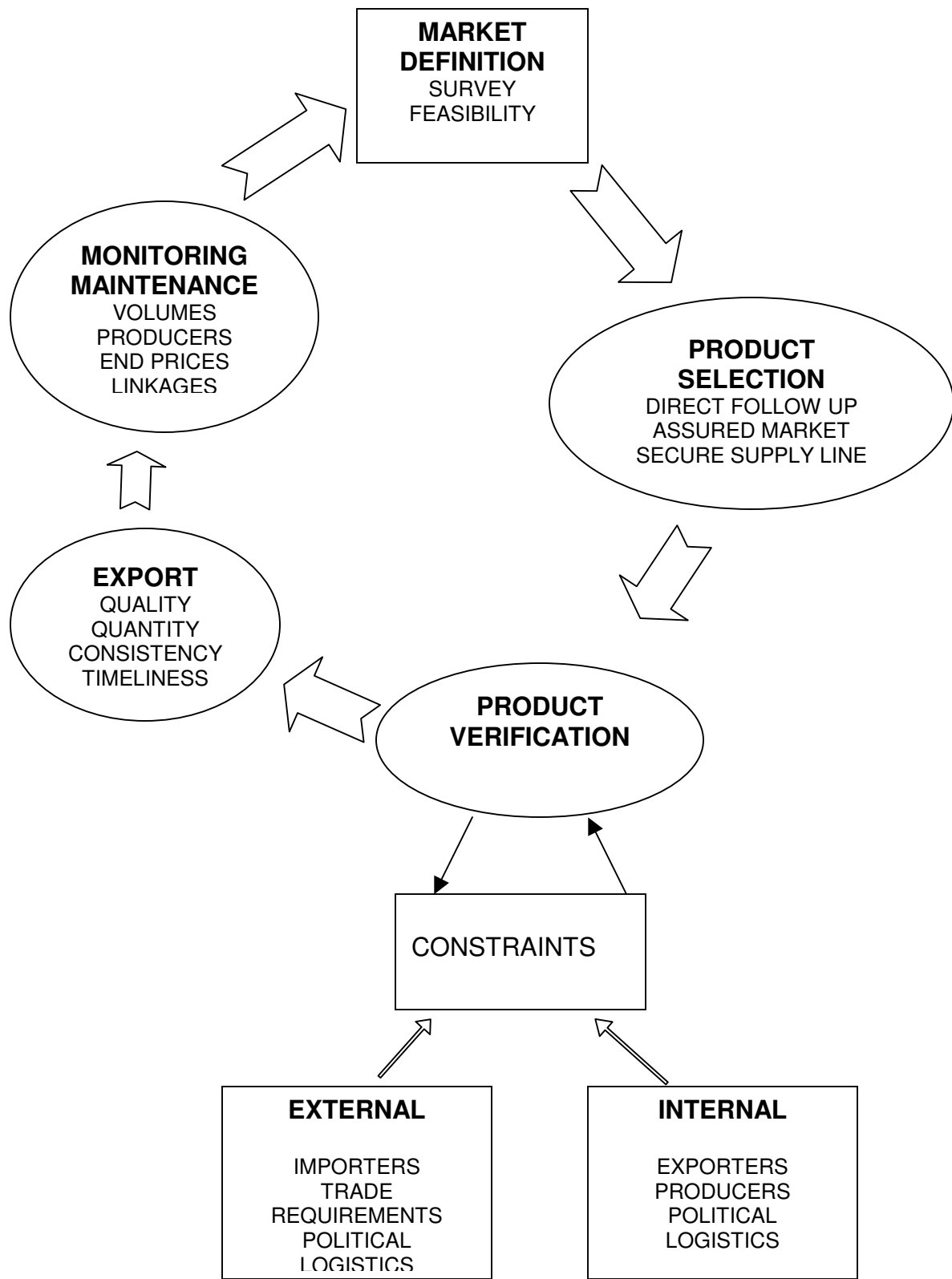
In addition, a responsibility matrix (See Annex D) was developed to identify specific individuals responsible for the implementation of the methodology and the time frames that would be required to meet the schedule.

It should be noted that given the current duration of the GEO project (March 2004), products should be prioritized based on the estimated time to market and results that could be achieved within the given time frame.

To ensure the implementation of the Plan, the recommendations made by other GEO consultants need to be integrated simultaneously with the recommendations suggested by this Plan. Most notably these would include:

- GEO should continue to work with NGMC and all stakeholders to implement the methodology of this Export Action Plan immediately on a product-by-product basis
- Implementation of the recommendations for upgrading of the NGMC Packing House should go forward as soon as possible
- The proposals for follow-up as stated in the GEO market surveys of Barbados and Trinidad should be carried out as outlined in this Export Action Plan
- Monitoring and Evaluation of the Export Plan should be conducted quarterly in the areas outlined in the plan

### CHART 1: EXPORT METHODOLOGY



## **ACTION PLAN METHODOLOGY**

### **Approach**

The methodology followed by the consultant included:

- Reviewing various marketing studies and reports commissioned by GEO to facilitate the export strategy (Annex B)
- Interviews and meetings with the various stakeholders involved in exporting—business leaders, support services associations, government organizations and current and potential exporters (Annex C)
- Three meetings with NGMC and GEO to develop methodology—overview, brainstorming and development, and presentation of the suggested approach.

### **Procedure**

The consultant proposes that the following model be utilized for export expansion. This is a simple, concrete procedure that can be followed, regardless of the export product chosen or the market targeted. In addition, by using a road map, it is easier to facilitate a time-bound, disciplined approach that encourages flexibility, accommodates changing markets and strategies, and allows monitoring of results and impact. (See Annex D).

#### **1) Evaluate and Select Market**

##### **a) Survey**

- (1) Evaluate target market
- (2) Define distribution channels
- (3) Identify buyers, distributors
- (4) Determine level of interest in products
- (5) Catalogue import requirements, restrictions
- (6) List documentary requirements
- (7) SWOT analysis of products
- (8) Recommended products

##### **b) Assure market by direct follow up**

- (1) Directly contact interested buyers from survey, establishing firm links of communication and verifying that their interest is concrete, not just talk or “just in case” back-up supplier option. No “standby pumpkins!”
- (2) Verify and confirm buyer requirements by direct contact for quality, quantity, consistent supply, timing and pricing.
- (3) Verify and confirm import requirements and restrictions with both the buyer and appropriate governmental bodies in target country.

**2) Select Product: based on market intelligence and importer/exporter interest and capabilities.**

Discussions with NGMC, exporters, producers and results of market surveys for potential exports to Barbados and Trinidad and Tobago suggested that the following products be selected for either expanded exports or new product entries for the target markets.

Regional markets were targeted as the market surveys for extra-regional markets, notably Toronto and New York, demonstrated that the international standards that must be met to effectively compete and achieve significant market penetration would be difficult to achieve for most Guyanese exports without extensive work.

Improving exports of current crops requires follow-up on consultant's recommendations: sleeving of plantain; hot water bath treatment for mangoes—refinement of technique and acceptability to importers; additional renovations to NGMC's packing house.

The export of pineapples to Trinidad appears to have been the result of a shortage from the usual suppliers and has not been repeated. Further research would be required to test the feasibility of this as a consistent market opportunity.

Processed foods would require substantial work on packaging, labeling, and phyto-sanitary requirements etc. to allow them to compete in the regional markets.

The entry of beef into the export market will need passage of legislation before this potential export can move forward. Other major issues, such as HACCP, will also have to be addressed. A market niche for organic beef may be feasible, but requires additional research.

It should be noted that given the current duration of the GEO project (March 2004), these products should be prioritized based on the estimated time to market and results that could be achieved within the given time frame.

**Table 1**  
**Product Identification and Selection**

CATEGORY	PRODUCT	MARKET	TIMING*	Status
<b>Produce</b>	Plantains	Barbados	Short-term	Export expansion
	Pineapples	Barbados	Short-term	Export expansion
	Plantains	Trinidad and Tobago	Medium-term	Export expansion
	Mangoes	Barbados	Medium-term	New product
<b>Animal products</b>	Beef	Barbados	Medium-term	New product
<b>Processed</b>	Honey	Barbados	Long-term	New product
Semi-processed	Pepper mash	Trinidad and Tobago	Long-term	New product
<b>Manufactured</b>	Wood components	Barbados	Long-term	New product
	Furniture	Barbados	Long-term	New product

**\*NOTE:**      Short-term      6 months      Medium-term      9 months  
                  Long-term      1 year +

### 3) Secure Supply Line

#### a) Guyanese Distribution Channels

##### (1) Current Exporters-Check list

- (a) Evaluate current volumes
- (b) Additional capacity potential
- (c) Current contracts with farmers
- (d) Being supplied by certified plans
- (e) Seasonality and trends

##### (2) Expand exporter base

- (a) Contact potential exporters as identified in GEO Exporters Seminar
- (b) Identify contacts in target markets
- (c) Identify if any linkages with farmers/producers

## **b) Producers**

- (1) Identify Farmers with additional land to increase production
- (2) Establish linkages between smaller farmers to leverage supply sources as loose cooperatives

## **4) Eliminate or Mitigate Constraints**

Irrespective of the market chosen, there are common constraints that are limiting the expansion of Guyana's exports. Previous GEO market surveys and sector reports have emphasized major areas that will affect the progress of exporting the selected products to the targeted markets.

These common constraints can be categorized as: target market, exporter, government and producer restrictions. All of these limitations have been effectively reviewed in previous GEO reports. A logical framework in which to consider the method these constraints can affect the export process is to view them as restrictions on both the internal and external levels as is shown in Chart 1: Export Methodology.

## **I. INTERNAL**

### **1. Exporters**

- Competition: Primarily 3 exporters are using the facilities of the packinghouse for their exports to Barbados. As has been previously noted, encouraging the expansion of the exporter base could generate additional exports and products.
- Training: As noted by Picha, training in pre-and post-harvest handling of goods will reduce damage loss and improve quality.

### **2. Producers**

- Supply: Secure reliable sources of product as well as address issues of quantity, quality and timing.
- Training: Pre-and post-harvest handling techniques are very critical at the production end of the supply chain.
- Cooperation: Benefits of cooperation among smaller producers need to be stressed in all areas of production to secure supply chain.

### **3. Political**

- Policy: Trade policies at the international, regional and national level will all constrain the level of exports. Relationships between governments and government organizations are also inhibiting factors. Advocacy initiatives need to be maintained and continued.
- Legislative export requirements: These clearly flow out of policy decisions and implementing bodies can further limit export expansion, e.g., Ministries dealing with Customs, Standards, Health and Sanitary requirements, Taxes



etc. Good communication and relationship building should continue to be preserved and enhanced.

#### **4. Logistics**

- Packaging: Lack of suitable containers for both pre-and post-harvest handling and shipping and low-grade labeling of manufactured products needs to be addressed quickly by contacting suppliers and providing required materials.
- Sanitation: Conditions for washing and preparation of produce for export (chlorination, waxing, sleeving etc.) should be adopted as soon as possible.
- Storage: No cool storage facilities at either end of the distribution chain further limit arrival of quality fresh products. Further discussions should be held to facilitate these accommodations once supply/demand and cost paths have been established.
- Transport: The poor condition of local infrastructure permits no easy access to transport for producers, and cargo space limitations and poor air and sea egress out of the country compounds the problem. Although the EU infrastructure projects are currently focusing on canal and waterfront management, additional dialogues with donor groups could be initiated to discuss road development.

## **II. EXTERNAL**

### **1. Importers in Target Market**

- Relationship building: Buyers and distributors alike are in active competition for secure, reliable, quality sources. Contacts made during the market surveys should be followed and cultivated in a planned, disciplined manner.
- Requirements: Each importer may have company-specific requirements as well as government-imposed restraints. These should be verified and monitored so that exporters will be adequately prepared to fulfill all provisions.

### **2. Trade Requirements**

- Target Market Restrictions: For product selected, each appropriate government agency has specific requirements for entry. (See Annexes E, F and G) for requirements for Barbados and Trinidad.

### **3. Political**

- These concerns are similar to those for the exporting country, but have additional constraints of trying to protect local products and services. With continuing discussions on FTAA and WTO requirements of developing countries these may lessen over time.

### **4. Logistics**

- The Importer's main concern is to maintain their reputation and credibility by supplying quality product in a timely manner in the quantities specified. Therefore, they are constantly on the alert for alternate supply sources, but in many cases on a "just in case" basis. This suits the importer but is

detrimental to the exporter who is unable to contract supply on this basis. Therefore, it is important to the exporter to become the “first in line” supplier by meeting all importer requirements. Establishing credibility is key.

## 5) Monitor and Maintain Export Action Plan

- a) **Export Methodology:** Begin plan immediately by expanding current product exports in which the market analysis and buyer indications of interest are firm. Once the cycle is established, move on to next product and/or market and repeat. Track cycles.
- b) **Export Plan Check List:** The list of accountability and responsibilities should be reviewed and updated monthly, and more often if required, and maintained for each product in the cycle.
- c) **Statistical Tracking:** All significant statistical information, including, but not limited to, exporters, volumes, capacity, costs, end-prices, overheads, etc. should be monitored and maintained in a simple database. This can be daily or weekly, depending on established norms.
- d) **Trend Analysis:** Export statistics should be analyzed on a monthly and quarterly basis to monitor seasonality, trends etc. and facilitate plan adjustments. These analyses should be integrated with the quarterly GEO reports.
- e) **Linkage Databases:** Market linkages (Industry, Buyers, Distributors, Suppliers, etc.) that have been established should be formalized into a simple database that can be utilized by all stakeholders. Build on what is currently available and expand both content and functionality.

## **RECOMMENDATIONS FOR IMPLEMENTATION OF THIS EXPORT PLAN WITHIN THE NEXT TWELVE MONTHS**

- GEO should continue to work with NGMC and all stakeholders to implement the methodology of this Export Action Plan immediately on a product-by-product basis
- Implementation of the recommendations for upgrading of the NGMC Packing House should go forward as soon as possible
- The proposals for follow-up as stated in the GEO market surveys of Barbados and Trinidad should be carried out as outlined in this Export Action Plan
- Monitoring and Evaluation of the Export Plan should be conducted quarterly in the areas outlined

## ANNEX A

### **Terms of Reference for Assisting NGMC to Develop an Action Plan For Expanding Exports To Trinidad and Barbados**

**Position:** Business Specialist

**Purpose of the assignment:** To assist the New Guyana Marketing Corporation (NGMC) to develop an action plan for increasing exports to Barbados and Trinidad and Tobago.

**Background:** The USAID GEO Project has been providing assistance to the NGMC, to Go-Invest (Guyana's Export and Investment Promotion Agency), and to the private business sector to expand the export of non-traditional products. Marketing studies have indicated that there is potential for increasing exports to both Trinidad and Barbados in the areas of fresh produce, beef and to a lesser extent, processed agricultural products. However, certain problems need to be overcome in order to increase the export of these products. Among these are quality and quantity problems, possible non-tariff restrictions, transportation, etc. The NGMC has targeted Trinidad and Barbados as two focus markets for this year and has identified several products where export expansion may be possible.

**The Approach:** The Consultant will work directly with the NGMC, exporters and other agencies and persons as needed to identify and prioritize activities that should be undertaken this year to reduce constraints and facilitate increased exports of the identified products in these two markets.

**Specific tasks:**

- Identify with NGMC the products that it would like to promote in Barbados and Trinidad
- In collaboration with NGMC, Go-Invest, exporters and others as deemed relevant, identify the factors that are constraining the expansion of exports of the identified products to Trinidad and Barbados. These factors may be at the level of the producer, the exporter, the Government of Guyana, or restrictions in the target market.
- Develop an action plan that will prioritize the constraints and identify the necessary actions to reduce or eliminate these constraining factors.
- Identify the recommended timing of the activities, the agency(s) and persons involved and who should take the lead.
- Review the findings and recommendations with NGMC prior to finalizing the action plan.

**Deliverables:** The action plan described above which first identifies the problems and constraints and lays out a plan for overcoming the difficulties.

**Reporting:** The Consultant will report directly to the GEO Project Director

**Timing:** Immediately

## ANNEX B

### Documents and Reports Reviewed

- Bynoe, Mark (2002) *Guyana Market and SME Overview*, GEO Technical Report, No. 39.
- Dreiman, Richard and Kedrock, William (April 2002) *Near-Term SME Export Action Plan*, GEO Technical Report for USAID.
- Krigsvold, Marsha (November 25, 2002) *Survey of the Market in Barbados for Fresh Fruits and Vegetables, Selected Processed Food Products, Fish and Seafood, Red Meats and Wood and Wood Products*, GEO Technical Report for USAID.
- Krigsvold, Marsha (November 25, 2002) *Survey of the Market in Trinidad for Fresh Fruits and Vegetables, Selected Processed Food Products, Fish and Seafood and Wood and Wood Products*, GEO Technical Report for USAID.
- McLeod, Brad (January 10, 2003) *Meat Cutting Training*, GEO Technical Report for USAID.
- Nurse, Osbourne and Frohmader, Ricardo (December 2002) *Diagnostic Review of the New Guyana Marketing Corporation (Draft)*, GEO Technical Report for USAID.
- Picha, David H. (July 2002) *Postharvest Handling Analysis of Fresh Produce and Recommendations for Improving the NGMC Packinghouse*, GEO Technical Report for USAID.
- USDA Foreign Agricultural Service (2002) *Barbados Food and Agricultural Import Regulations and Standards Country Report 2002*, Gain Report #BB2002.
- USDA Foreign Agricultural Service (2002) *Trinidad and Tobago Food and Agricultural Import Regulations and Standards Country Report 2002*, Gain Report #TD2001.
- Weiss, Kenneth D. (2002) *Rapid Reconnaissance Survey of the New York and Toronto Markets for Guyanese Products*, GEO Technical Report, No. 40.

## ANNEX C

### Meetings and Interviews

#### Organizations

Tom Whitney, Project Director, **GEO** Project 12 Earl's Avenue, Subryanville.  
Tel: 223 7144

Nizam Hassan, General Manager, **New Guyana Marketing Corporation**.  
87 Alexander Street, Georgetown. Tel: 226 8255

Clem Duncan, Swansea Industrial Associates. 166 Waterloo Street, Georgetown.  
Tel: 225 8845

Manjula Brijmohan, General Manager, **Small Business Development Finance**,  
5 Hadfield Street, Georgetown. Tel: 223 6165

Derrick Cummings, Executive Secretary, **Guyana Manufacturers Association**,  
National Exhibition Complex, Sophia, Georgetown.

Jane Jamieson, **DFID**, British High Commission

Charles Cutshall, Senior Democracy and Governance Advisor, **USAID**. U.S. Embassy,  
100 Duke & Young Streets, Kingston, Georgetown. Tel: 225 7315

Winston Harlequin, Cognizant Technical Officer, **USAID**, U.S. Embassy,  
100 Duke & Young Streets, Kingston, Georgetown. Tel: 225 7315

Geoffrey DaSilva, Chief Executive Officer and Uchenna Gibson, Head of Export  
Division, **Go-Invest**, 190 Camp Street, Georgetown. Tel. 225 0653

Murray Kam, Head of **CIDA**, Canadian High Commission, High Street, Kingston,  
Georgetown

#### Private Sector

David DeCurtis, **DeCurtis Trading Co.**, GEO Consultant - Lumber

Jocelyn Dow, **Liana Canes Interior**, Charlotte Street, Georgetown. Tel: 225 8404

Ramkrepaul Singh, **Exporter**, 24-25 Public Road, Good Fortuin, West Bank, Demerara  
Tel: 226-4262

Rafique Choudhury, **Indira Ltd.**, potential exporter, 24-25 Public Road, Good Fortuin, West Bank, Demerara, Tel: 226-4262

Rambarran Singh, **K. Ramkellewan Exports**. 57 Station Street, Kitty. Georgetown  
Tel: 226 7355

Azad Habbibulla, Manager, **Habibula Group**, Beef division, 27 North Street, Lacytown, Georgetown. Tel: 228-2820

Deodat Doodnauth, **Canadian Exporter**, Alexander Village, Greater Georgetown  
Tel: 226-6150

Patrick Ketwaru, General Manager, **Synergy Holdings, Inc.** 117 John Smith Street, Campbellville, Georgetown. Tel: 223-7780

CATEGORY	ACTIVITY	RESPONSIBLE	TIMING	COMMENTS
<b>I. MARKET DEFINITION</b>	<b>Survey/Feasibility</b>	GEO Consultant	Immediate	Concluded for Barbados,Trinidad & Tobago, Toronto, NY
	Evaluation of target market	"	"	"
	Define distribution channels	"	"	"
	Identify buyers, distributors	"	"	"
	Product indications of interest	"	"	"
	Identify buyers, distributors	"	"	"
	Import requirements, restrictions	"	"	"
	Documentary requirements	"	"	"
	SWOT product analysis	"	"	"
	Recommended products	"	"	"
<b>II. PRODUCT SELECTION</b>	<b>Assure Market</b>	NGMC Head Technical Officer	Immediate	Position currently vacant but critical to implementation of action plan
	Direct contact of buyers	NGMC Market Research Officer	Immediate	See Annexes for contacts in Barbados, Trinidad
	Verification of buyer requirements	NGMC Market Research Officer	Immediate	See GEO Market Surveys for contacts and use current contacts
	Verification of import requirements	NGMC Market Research Officer	Immediate	See Annexes for contacts in Barbados, Trinidad
	<b>Secure Supply Line</b>	NGMC Head Technical Officer	Immediate	
	<b>Guyana Distribution Channels</b>			
	Current Exporters	NGMC Technical Officer	Immediate	Continue discussions to increase exports--current and new products
	Expand Exporter Base	NGMC Technical Officer	Immediate	Follow-up with GEO on Exporter class and continue initial dialogues
	<b>Producers</b>			
	Current farmer expansion	NGMC Technical Officer	Medium-Term	Continue discussions to explore increasing products via additional land, plantings etc.
	Establish links with smaller farmers	NGMC Technical Officer	Medium-Term	Determine key contacts for cooperation for both production and transport
<b>III. PRODUCT VERIFICATION</b>	<b>Internal Constraints</b>			
	Exporters	NGMC Head Technical Officer	Immediate	Continue discussions on major constraints and develop consensus for solutions.
	Producers	NGMC Head Technical Officer	Immediate	Continue discussions on major constraints and develop consensus for solutions.
	Govt./Political	NGMC Board of Directors	Medium/Long Term	Involve key board members in policy discussions, develop consensus, work with advocacy groups.
	Logistic	NGMC Head Technical Officer	Immediate	Follow-up on GEO's recommendations for Packing house, prioritize and implement.
	<b>External Constraints</b>			
	Importers	NGMC Deputy General Manager	Immediate	Contact importers to verify requirements and track. (See Annexes)
	Trade Requirements	NGMC Deputy General Manager	Immediate	Contact government organizations to verify requirements and track. (See Annexes)
	Govt./Political	NGMC Board of Directors	Medium/Long Term	Involve key board members in policy discussions, develop consensus, work with advocacy groups.
	Logistic	NGMC Head Technical Officer	Immediate	
<b>IV. EXPORT</b>	<b>Product Validation</b>	NGMC Head Technical Officer	Medium-Term	Oversight currently being done, but needs to be more formalized to track export expansion.
	Quality	NGMC Technical Officer	Medium-Term	"
	Quantity	NGMC Technical Officer	Medium-Term	"
	Consistency	NGMC Technical Officer	Medium-Term	"
	Timeliness	NGMC Technical Officer	Medium-Term	"
<b>V. MONITORING/MAINTENANCE</b>	<b>Insuring Export and Channels</b>	NGMC General Manager	On-going	Oversight currently being done, but needs to be more formalized to track export expansion.
	Volumes	NGMC Market Research Officer	Immediate	"
	Producers	NGMC Market Research Officer	Immediate	"
	Buyers	NGMC Market Research Officer	Immediate	"
	End Prices	NGMC Market Research Officer	Immediate	"
	Linkages	NGMC Market Research Officer	Medium-Term	Set up simple database to track market linkages or build on existing models (Go-Invest).